GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1658
ANSWERED ON:25.07.2002
INDUSTRIAL SICKNESS IN CPSUS
SURESH CHANDEL

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the reasons for increasing for sickness in the CPSUs year after year;

(b) the steps taken to make up the loss of sick industrial units ; and

(c) the effective steps taken to improve the working of these units and make them viable?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a): As per available information, during the last three years there is no increase in the number of sick industrial CPSUs registered with BIFR.Some of the reasons include inherited problems of sick taken over PSUs, obsolete plant and machinery, outdated technology, resource crunch, excess manpower, low capacity utilization, inability to face sever competition, managerial problems etc.

(b)&(c): Enterprise specific steps are taken by the concerned administrative Ministries/Departments/Management of PSUs for performance improvement. Some of the common steps taken include referring continuously loss making PSUs whose net worth has become negative to the BIFR for formulation of rehabilitation / revival scheme, periodical review of the performance of the PSUs by the concerned administrative Ministries/ Departments, business and financial restructuring, formation of joint ventures, infusion of fresh funds, upgradation of technology, improved marketing strategies, cost control measures, professionalisation of Board of Directors etc.